

13 May 2014

**CANCEL THE GRAND RIP OFF**  
**TO PAY FOR THE GRAND BARGAIN**

3 wasteful projects have been approved by Mr. Orr and Mayor Duggan.

These costly projects proceed while pensioners & tax payers sacrifice.

1. New Red Wing Arena - \$500 m
2. Trolley M-1                      \$40 m    Michigan Dept. of Transportation
3. Sale of Real Estate        \$40 m    \$1 no bid sales on development sites

Details:

1. Ilitch gets Joe Louis Arena rent cut by \$15 m going back to 2010.

The new hockey rink pays NO revenue/rent & property tax to the City.

Also the lease is for 90 years and requires the City to pay millions for repairs.

The other 2 sports stadiums are not asked to pay like the DIA.

2. Penske's trolley system diverts money that should be used to fix the failed bus system to benefit the entire City. This added transit system will compete and disrupt the 2 current bus services.

3. \$1 no bid recent sales: Monroe Block – Schostak Bros \$34 m parking  
Statler Hotel  
Riverfront Land  
Ice Arena

These abuses must be cancelled before any new money is gifted.

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## THE ARENA RIP OFF

The arena lease is hard to analyze because it was craftily written to obscure the rip off.

The Detroit Free Press Sunday, March 2, 2014 did a good job of disclosing some of the major faults. Close reading of the Ilitch lease shows additional details:

- Kick back – City & State each get life time luxury suites & 12 tickets to all events (page #59 & #61 of lease)
- The “repair” gimmick – illustrates the tricks slipped into the rip off deal (page #67) \$0.5 m is given back to Olympia. They slipped in this amount, “escalating at a rate of 4% per year (cumulative)” to the Repair Fund. (page #17) The repairs allowed even include “material improvement to attendee comfort.” This includes cash paid by the City intended for the bonds. (page #40) The City provides cash!
- Other costs to the City are the following losses:
  1. Joe Louis asset demolished. (page # 106)
  2. Gift of Woodward Avenue land for free (page #21) valued more than \$3 m.
  3. Property tax cancelled on \$10 m. of Ilitch owned property
  4. Parking lot revenue from City land
- No payment due until the first hockey game in the “event center” (page #9 & #45) Try buying a home for no money down, let alone a \$1/2 billion home for the poor Red Wings.
- The project bonds pay the hockey team moving expenses. (page #36)
- The hockey team owner even owns the arena building plans. (page # 32)
- Etc.

This entire deal is so unfair to the bankrupt City. It should obviously be stopped.

Lawyers, such as Gov. Snyder, Mayor Duggan and Emergency Manager Orr who care about Detroit, should not let this proceed.

Judge Rhodes should block this asset transfer.

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